

The officers of this Association have succeeded in obtaining the most reasonable rates possible for the forty-one-day cruise on such a luxurious liner.

Additional information can be obtained from Joseph J. Eller, director general, 745 Fifth Avenue, New York, N. Y., or Charles Pierre Mathé, vice-president, 450 Sutter Street, San Francisco, or Albert Soiland, regional director, 1407 South Hope Street, Los Angeles.

Thomas Cook & Son, Wagons-Lits, Inc., have been appointed official travel agents for the cruise and will handle all reservations, subject to the approval of the Association.

STATE HEALTH INSURANCE

The San Francisco *Chronicle*, under date of April 12, printed the following story of the State health insurance plan, as provided for in Senate Bill 454:

Establishment of a system of State health insurance for persons with incomes less than \$3,000 annually was recommended to the legislature.

The recommendations followed a study of many months and carried with them the legislation to create a health service fund to be administered by the State.

Creation of a Health Insurance Commission of five members, to be appointed by the Governor, is provided for in a bill by Senators Edward H. Tickle, Carmel; Dan E. Williams, Chinese Flat; and Leonard J. Difani, Riverside. The three Senators, together with Celestine J. Sullivan, LL. D., composed the Senate committee on investigation of the high cost of sickness.

"The Health Service Insurance Act," states the committee report, "we believe is for the public good, based upon incontestable facts, the health rights and needs of the public."

To meet costs of such a system, provisions were made in the bill now before the Senate to set up a "health service fund" from contributions by employers and employees.

In brief, the fund contributions would be as follows:

It would be unlawful for any employer to deduct from the wages of any employee with respect to whom any amount is payable, a sum greater than 3½ per cent of the wage.

Private employers other than to whom certificates of compliance have been issued will pay to the Health Commission an amount equal to 5 per cent of wages paid to his employees. However, credits could be taken by the employer because of deductions for Workman's Compensation Insurance payments and income taxes for application against the 5 per cent levy.

Private employers would deduct 12 cents a day from the wages of casual employees and pay that amount into the State fund without further additional sums contributed by the employer.

State employees, other than casual employees, would pay into the State fund 3½ per cent of their wages. From the general and other funds of the State, the Government would pay another 1½ per cent of the wages of its employees to create a sufficient health insurance fund for them.

Employers maintaining their own health insurance organizations and hospitals would be granted compliance certificates. These employers, however, would be compelled to make payments to set up health insurance funds for the dependents of employees.

More than \$100,000 was expended in the study of health needs in California. All of this money was contributed privately. [Thirty thousand dollars by the California Medical Association and seventy thousand dollars by the SEHA, through the California State Board of Health.] The health survey contacted a total of 20,560 families. Medical facilities within the State were declared to be unevenly divided, and the State was found to have a higher proportion of physicians to the population than any other State in the Union. Hospitals were declared to be suffering from poor financial conditions.

Free choice of physicians, dentists, and hospitals would be permitted those insured. It is estimated that two million persons would be affected by the State system.

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Points in Senate Plan for Health Service Insurance.*

A commission of five members serving four years at a salary of \$8,000 is to be appointed by the Governor.

Two members are to be physicians, who shall decide on all professional matters, including standards, service and compensation.

The commission shall appoint a physician as medical director and name his salary upon which no limits are set.

* Reprinted from *Clearance*, Vol. 1, No. 6, April, 1935.

The commission shall appoint an advisory council of ten members, two of whom shall be representatives of the California Medical Association; the others representing dentists, nurses, hospitals, employers, employees, and agriculture.

The commission is to determine all rates and fees.

The commission is given control over all persons and groups furnishing any kind of benefit health service or any other medical, dental, or hospital service.

The commission may cooperate to improve public health.

The commission's judicial powers relative to the proposed health service are not subject to repeal.

All physicians, dentists, and agencies giving health service must be licensed by the commission.

Benefits would be available to any resident with an income less than \$3,000, to his dependent spouse and minor children, provided he passes a physical examination.

The beneficiary must pay 50 per cent of the first professional visit, and 25 per cent of the first day's hospitalization.

Benefits would be as follows:

Service of physician limited to twenty-six weeks.

Services of laboratories as prescribed by physician.

Tooth extractions. Other therapeutic dental services prescribed by physician.

Prenatal and maternity treatment.

Hospital and nursing care prescribed by physician.

Hospital care limited to 111 days; first twenty-five free, remainder at 15 per cent of cost.

Essential drugs and medicines prescribed by physician.

Employers giving similar service may continue such service under a certificate of compliance issued by the commission.

Premiums are to be directly proportional to the average annual net income. Minimum premium set for income of \$1,000.

Employers must pay premiums equal to 5 per cent of employees' wages.

Employees' share is 3.5 per cent. Employer may lawfully deduct this amount from employees' wages.

Free choice of physician, dentist, and hospital is guaranteed.

Further benefits for a particular sickness are denied any patient refusing to follow treatment prescribed by attending physician.

Employers are held responsible for compliance with all the provisions of the Act.

CORRESPONDENCE

Concerning A. B. 2397 (a County Hospital bill).*

To the Editor:—For your information I am enclosing copy of a letter to Mr. S. L. Heisinger, relative to Assembly Bill No. 2397

Sincerely,

J. C. GEIGER, M. D.
Director of Public Health.

My dear Mr. Heisinger:

Replying to your letter of April 4, may I state that I have read very carefully Assembly Bill No. 2397, and at your request am giving you my impressions of the same.

As I see it, this bill will allow the Board of Supervisors, on a petition of 25 per cent of the registered voters of the county, to establish a system of hospital insurance and would place each county that adopted such a system in the position of caring not only for the indigents of the county, but for those well able to support hospitalization at their own expense. I feel that this is a vicious practice, particularly that portion of the first paragraph which provides that the subscribers may procure special service, private or semi-private rooms, additional or special nursing service for additional payment.

This would clearly establish class in a public hospital maintained by the taxpayers, and I feel that the county has no right to embark on such an activity wherein they

* For other comments on this bill, see April issue of CALIFORNIA AND WESTERN MEDICINE, page 273.